GOVERNMENT OF INDIA
SURFACE TRANSPORT
LOK SABHA

UNSTARRED QUESTION NO:6402
ANSWERED ON:08.05.2000
SPECIAL BENEFIT FOR INDIAN SHIPPING LINES
JASWANT SINGH YADAV;VILAS BABURAO MUTTEMWAR;Y.S. VIVEKANANDA REDDY

Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government have initiated any special strategy for the benefit of Indian Shipping lines in general and Shipping Corporation of India in particular;

(b) if so, the details thereof;

(c) whether in order to involve the Indian shipping companies in the LNG transportation work for which bids have been invited, the relaxed criteria for the Indian shipping companies would not insist on experience in transportation of LNG;

(d) if so, whether Indian companies operating large vessels and with good track record of safety would also be eligible for LNG transportation contract;

(e) if so, the norms finalised in this regard; and

(f) the final decision likely to be taken in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF SURFACE TRANSPORT

(DR. DEBENDRA PRADHAN)

(a) Yes, Sir.

(b) Government have already initiated steps for formulating National Shipping Policy for shipping industry which includes Shipping Corporation of India, whereby the following fiscal and financial proposals have been included :

(i) Grant of export industry status to the shipping industry;

(ii) Restoration of Section 33 AC of Income Tax Act;

(iii) Enhancement of depreciation from 20% to 40%;

(iv) Tax relief to Indian seafarers; and

(v) Coastal shipping to be declared as an infrastructure industry.

The proposal at
(ii) above has already been agreed to by the Finance Ministry.

In addition to the above, the Government have granted the status of Mini Ratna to SCI in February, 2000 which entail an enhanced delegation of financial power.

(c) to (f)Petronet LNG Limited had invited applications globally for pre qualification of shipowners and operators for transportation of LNG. However, none of the Indian shipping companies appeared to be satisfying the conditions stipulated therein. Government have since taken steps to facilitate participation of Indian shipping in LNG transportation.In fact, Government have recently granted approval to SCI for Joint Venture with Mitsui OSK, Japan and Atlantic commercial Finance Company an affiliate of Enron for transportation of LNG to the Dabhol Power Company.Besides this, action has also been initiated to formulate an LNG Transportation Policy, which favours transportation of LNG by Indian flag vessels.